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FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
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U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL SERVICE

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PEAS
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CURRENT SERIAL RECORDS

DRY EDIBLE PEAS IN THE

EUROPEAN ECONOMIC COMMUNITY

Policy

Pulse commodities, to which dry peas belong, are among those agricultural crops for which the EEC Commission staff has not yet stated a Common Agricultural Policy (CAP). Indications are that one may be announced in the future. In the meantime, pea production and trade is carried on in the EEC under relatively free economic conditions except for import duties and taxes.

A common tariff on imports from outside the Community has been announced, and all six countries in the Market - Belgium, Germany, France, Italy, The Netherlands, and Luxembourg - are to adjust their individual duties to the common goal. At present, the intended goal for dry edible peas is 9 percent ad valorem. Some of the individual countries already have made considerable adjustment toward this goal, but some still maintain certain import taxes in addition to the currently adjusted import duties. Elimination of the taxes is expected.

PEAS, DRY EDIBLE: Past and present import duties and present import taxes in the EEC

Country	Import Duties Before EEC	Current Duties, May 1963	Import Taxes
	Percent		
Belgium	0	3	12
France	15	13.2	2
Germany	10	9	4
Italy	10	9	4.3
Netherlands	0	3	0
Luxembourg	0	3	4

Production

Pea production in the Common Market countries averaged 3.7 million bags (of 100 pounds) in the 1958-62 period. Nearly half of these were produced in The Netherlands. The trend of production has been slowly downward in most EEC countries, especially in the last decade, and the drop has been most precipitous in the largest producing country, The Netherlands.

Pea acreage has dropped much more precipitously than has production and every EEC country is involved. As a whole, acreage dropped 47 percent from the 1935-39 average to 1962. In the same period, acreage dropped 60 percent in The Netherlands, 26 percent in France, 32 percent in Belgium, and 48 percent in Italy. In West Germany it dropped 42 percent between 1951 and 1962. (There are no acreage figures available for West Germany in 1935-39.)

Dry peas are produced under adverse conditions in Europe. Farms are too small for extensive use of mechanical equipment and precipitation is too heavy for efficiently harvesting dry peas. Rainfall averages more than 3 inches per month at Rotterdam, Netherlands during the dry pea harvest season. (This compares with 0.2 inches per month at Pullman, Washington, heart of the U. S. dry pea industry.)

Because of the wet harvests in Europe, pea vines must be hung on pole racks in the field, many years, to dry. This requires costly hand labor, and even then the peas may be damaged on the racks. Because fields are large and weather dry in the Pacific Northwest, dry peas are harvested by combine direct from the fields as is wheat. The labor cost is, therefore, much less than in Europe.

Important classes of dry peas produced in the Common Market are the Dutch Blues and Marrowfats plus many minor classes. Blue pea production alone in The Netherlands totaled 1.1 million bags and Marrowfats 233,000 bags in 1962, constituting 90 percent of the total Netherlands dry pea production and nearly half of the total EEC production of dry peas.

In 1962, the United States produced 2.3 million bags of Alaska dry peas or more than double the Dutch Blue production. U. S. total dry pea production in 1962 was 4.9 million bags or 50 percent more than total dry pea production in all of the EEC.

Consumption

Dry pea consumption in the EEC has totaled approximately 4.2 million bags annually in recent years. This represents a decline of nearly 20 percent from pre-war years. Per capita consumption has dropped, since 1935-39, from 10 pounds to 5 in Belgium; from 4 pounds to 2.4 in Germany; and from 18 pounds to 10 in The Netherlands. Italian and French consumption, at 1.5 pounds and 2.5 per capita, respectively, has remained relatively constant over the years.

Heaviest consumption in the EEC, of course, is of Blue and Marrowfat peas. Both are good quality. The Blues are slightly larger than U. S. Alaskas, smoother of seed coat, and of deeper color. Marrowfats are considerably larger and of cream color. The Blues split with a minimum of waste, and both Blues and Marrowfats are easily milled, split and decordicated.

European packagers prefer the Blue and Marrowfat peas over the smaller U. S. Alaskas. On the other hand, canners of dry peas prefer the smaller, dryer Alaska peas. There is some canning of dry peas in the EEC, but it has not developed as in the United Kingdom.

Trade

EEC dry pea trade with outside countries averaged 1.1 million bags of imports and 964,000 bags of exports annually in the 5 years, 1957-61. This excludes 1 million bags transshipped each year, from country to country, within the EEC.

This relatively large internal EEC trade results principally from West Germany being one of the world's largest importers of dry peas and the Dutch being the world's second largest exporter. Of the total EEC exports in 1961, 85 percent were from The Netherlands.

Exports

Combined exports of the 5 EEC countries averaged about 2 million bags in the 1957-61 period and were distributed as follows: 52 percent to EEC countries; 26 percent to the United Kingdom; and 11 percent to non-EEC Free Europe. Only 1.5 percent came to the Caribbean area in competition with U. S. peas.

<u>Distribution</u>	<u>Exports</u> <u>(1,000 bags)</u>
EEC	1,046
Non-EEC	
United Kingdom	516
Other Non-EEC Western Europe	222
America (principally Caribbean)	30
Africa	36
Asia	35
Communist Bloc	71
Unspecified	<u>54</u>
	964
Total	<u>2,010</u>

Imports

Combined imports of dry peas by the 5 EEC countries averaged 2 million bags annually in the 1957-61 period and came from the following sources: 48 percent from EEC countries themselves, principally The Netherlands; 16 percent

from Africa; 13 percent from the Communist Bloc (China); and 9 percent from the United States:

<u>Source</u>	<u>Imports</u> (1,000 bags)
EEC	1,059
Non-EEC	
United States	195
Canada	13
South America	18
Non-EEC Western Europe (principally Denmark and Sweden)	136
Asia	28
Africa (principally Morocco)	352
Communist Bloc (principally China)	290
Unspecified	<u>104</u>
	<u>1,136</u>
Total	<u>2,195</u>

The United States has provided an increasing percentage of peas to the EEC during the past decade. In the 3-year period 1951-53, U. S. peas constituted 2.5 percent of EEC total imports. In 1955-58, this level had increased to 6 percent and in 1957-61 to 9 percent.

Peas imported from Africa (principally Morocco), and from the Communist Bloc (principally China) were low-cost. Prices ranged from one-half to two-thirds the price of U. S. peas. Undoubtedly, much of this material went to feed mixers. The U. S. share of the exports of good quality food peas to EEC areas was, therefore, considerably higher than the earlier 9 percent, possibly nearer 25 percent.

Competition

The principal competitors to U. S. peas in the EEC and elsewhere in Europe have been the Dutch Blue and Marrowfat peas. Prices of the Dutch peas in Rotterdam have advanced and declined over the past eight years, sometimes in harmony with, and sometimes in opposition to the price of U. S. Alaska peas in London. ^{1/} For example, Blue peas were quoted in late 1956 at \$9.60 per cwt. in Rotterdam, or 19 percent above the price of Alaskas in London. One year later, this position was reversed when Alaskas were selling at \$6.20 or 12 percent above Blues.

The simultaneous sale of Alaskas and Blues in the EEC every year in the 1950's, notwithstanding occasional wide price differentials, even sometimes in reverse relationships, suggests a limited substitutability of one class of peas for the other.

^{1/} Prices are f.o.b. Rotterdam for Dutch peas and c.i.f. London for U. S. Alaska peas. Both were obtained from the "Public Ledger", London.

They are not wholly nor directly competitive with one another. Their principal uses differ. Alaskas are preferred by the major canners of dry peas. While Blues and Marrowfat also are canned, they are used more extensively for the packaging and grocery trade.

Potential

The continual sale of Alaska peas in the EEC over the past decade is reminiscent of a more significant record made in the U. K. market during the same period. If canning of dry peas in the EEC should follow, or could be induced to follow the pattern already attained in the United Kingdom during the last decade, U. S. exports of Alaska peas would increase sharply.

During 1950, the United Kingdom canned 933,000 bags of dry peas. By 1960, the quantity had increased to nearly 1.2 million bags, or 26 percent. In the 3-year period, 1953-55, the United Kingdom imported about 8 percent as many U. S. Alaska peas per year it canned of all dry peas. In 1957-59, the U. S. percentage jumped to 39 and in 1960-62 to 62. Following are the data:

Calendar Year	Peas canned in U. K.	U. S. Alaska pea exports to U.K. ^{1/} 1,000 bags	Percent U.S. Exports of U. K. canned
1953	776	16	
1954	1,013	1	
1955	1,011	225	
Total	2,800	242	8
1957	1,056	425	
1958	1,198	290	
1959	1,294	652	
Total	3,548	1,367	39
1960	1,170	867	
1961	1,181	592	
1962	1,222	765	
Total	3,582	2,224	62

^{1/} Exports are for marketing years beginning August 1, 1952. Thus, exports for the marketing year beginning August 1, 1952 are matched with canning for the calendar year 1953, etc.

This increased usage of U. S. peas in the United Kingdom occurred against competition from dry peas grown in England, as well as from imports from The Netherlands, Morocco, and elsewhere. British area devoted to dry peas

dropped from 164,000 acres in 1945-49 to 23,000 in 1962. British consumption of canned dry peas increased during the same period from 1.3 pounds per person per year to 2.2 pounds. If a consumption rate of approximately 2.2 pounds per capita of canned peas could be attained among the 165 million people in the EEC by dry pea canning, the process would absorb 3.3 million bags annually. At present, there is some canning of dry peas in the EEC, but no official data are available. Although a start has been made, informed guesses place the volume as nominal.

EEC: Dry pea imports by source, average 1935-39, annual 1951-1961

Source	Average 1935-39	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
EEC:												
Belgium-Luxembourg ...	129	68	45	39	229	69	193	96	93	140	165	102
France	78	4	4	5	4	4	14	9	26	22	7	18
Germany, West	33	363	624	701	572	618	723	674	690	727	617	663
Italy	16	62	89	89	32	68	89	101	54	38	60	80
Netherlands	5	104	39	97	479	153	274	154	188	228	208	136
Total	261	601	801	931	1,316	912	1,293	1,034	1,051	1,155	1,057	999
Non-EEC:												
Free World:												
Americas												
United States	11	8	113	113	318	161	119	111	127	286	188	264
Canada			10	21	14	14	5	3	1	35	12	15
South America	209	30	74	16	17	182	117	28	14	20	17	11
Total	209	41	82	139	356	357	241	142	142	341	217	290
Western Europe												
United Kingdom	17	12	8	17	13	8	29	5	5	15	7	20
Other	165	140	88	98	99	87	123	130	135	92	139	134
Total	182	152	96	115	112	95	152	135	140	107	146	154
Asia	14	44	44	60	76	79	79	27	21	57	19	17
Africa	285	797	631	545	788	479	479	233	250	461	505	311
Soviet Bloc	921	14	32	24	35	30	382	229	224	395	434	168
Other 1/	71	11	17	62	46	63	64	44	60	107	149	153
Total Imports	1,943	1,660	1,703	1,876	2,729	2,015	2,632	1,844	1,888	2,623	2,527	2,092
Total Free World :	951	1,635	1,654	1,790	2,648	1,922	2,186	1,571	1,604	2,121	1,944	1,771
Total Non-EEC	1,682	1,059	902	945	1,413	1,103	1,339	810	837	1,468	1,470	1,093

1/ May include peas from both Free World and Soviet Bloc countries.

BELGIUM: Dry pea imports by source, average 1935-39, annual 1951-1961

Source	Average: 1935-39	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
----- 1,000 bags (100 pounds) -----												
EEC:												
France	2	37	10	--	174	9	87	7	4	36	63	19
Germany	--	--	--	--	--	--	--	--	--	--	--	--
Italy	--	--	--	--	--	--	--	--	--	--	--	--
Netherlands	127	31	35	39	55	60	106	89	89	104	102	83
Total	129	68	45	39	229	69	193	96	93	140	165	102
Non-EEC:												
Free World:												
Americas												
United States	--	4	8	26	36	15	26	31	29	53	40	56
Canada	--	---	--	--	--	--	---	--	--	--	--	--
South America	1	5	--	--	--	--	--	--	--	--	--	--
Total	1	9	8	26	36	15	26	31	29	53	40	56
Western Europe:												
United Kingdom	11	6	4	9	--	--	--	--	--	7	--	--
Other	5	6	5	--	--	--	--	9	--	--	--	--
Total	16	12	9	9	--	--	--	9	--	7	--	--
Asia												
Asia	11	44	33	28	52	30	32	22	18	29	--	7
Africa	2	15	25	12	9	8	1	--	--	12	42	--
Soviet Bloc												
Soviet Bloc	337	2	13	--	--	--	9	13	--	6	--	--
Other 1/	22	1	2	37	35	41	20	28	46	66	101	78
Total imports ...	518	151	135	151	361	163	281	199	186	313	348	243
Total free world :	159	148	120	114	326	122	252	158	140	241	247	165
Total Non-EEC ...	389	83	90	112	132	94	88	103	93	173	183	141

1/ May include peas from both Free World and Soviet Bloc countries.

FRANCE: Dry pea imports, by source, average 1935-39, and annual 1951-1961

Source	Average: 1935-39	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
EEC:												
Belgium	13	--	--	--	--	--	--	--	4	3	--	--
West Germany	--	--	--	--	--	--	--	1	1	--	1	1
Italy	--	--	--	--	--	--	--	2	8	2	--	1
Netherlands	65	4	4	5	4	4	14	6	13	17	6	16
Total	78	4	4	5	4	4	14	9	26	22	7	18
Non-EEC:												
Free World:												
Americas:												
United States	--	--	--	--	--	--	--	2	1	4	2	1
Canada	--	--	--	--	--	--	--	--	--	--	--	--
South America	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	2	1	4	2	1
Western Europe:												
United Kingdom	--	--	--	--	--	--	--	1	2	2	4	2
Other	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	1	2	2	4	2
Asia	--	--	--	--	--	--	--	1	--	2	--	--
Africa	283	281	334	387	402	250	371	197	233	255	267	182
Soviet Bloc	31	4	--	6	3	--	--	6	11	8	4	6
Other 1/.....	12	1	1	--	1	12	25	2	2	6	1	--
Total Imports	404	290	339	398	410	266	410	218	275	299	285	209
Total Free World ...	361	285	338	392	406	354	385	210	262	285	280	203
Total Non-EEC	326	285	335	393	406	262	396	209	249	277	278	191

1/ May include peas from both Free World and Soviet Bloc countries.

WEST GERMANY: Dry pea imports, by source, average 1935-39, and annual 1951-61

Source	Average 1935-39	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
EEC:												
Belgium	6	37	62	91	117	94	83	44	56	55	45	74
France	2	7	1	3	18	6	7	4	2	10	34	15
Italy	2	--	(1/)	20	10	2	--	1	1	3	2	2
Netherlands	23	319	561	587	427	516	633	625	631	659	536	572
Total	33	363	624	701	572	618	723	674	690	727	617	663
Non-EEC:												
Free World:												
Americas												
United States	--	7	--	85	226	144	89	68	85	207	140	162
Canada	--	--	--	10	7	14	5	3	1	34	12	15
South America	208	17	73	14	14	70	97	15	9	20	12	--
Total	208	24	73	109	247	228	191	86	95	261	164	177
Western Europe:												
United Kingdom	6	1	2	6	2	3	3	2	2	2	2	5
Other	159	130	83	98	97	86	122	119	130	85	136	129
Total	165	131	85	104	99	89	125	121	132	87	138	134
Asia	3	--	10	31	20	47	43	3	3	26	4	7
Africa	--	66	49	55	216	82	29	16	6	59	100	59
Soviet Bloc	458	6	6	7	17	23	109	122	123	140	152	123
Other 2/	32	1	3	2	--	--	2	--	1	3	1	--
Total imports ...	899	591	850	1,009	1,171	1,087	1,222	1,022	1,050	1,303	1,176	1,163
Total free world :	409	584	841	1,000	1,154	1,064	1,111	900	926	1,160	1,023	1,040
Total Non-EEC ...:	866	228	226	308	599	469	499	348	360	576	559	500

1/ Less than 500 bags.

2/ May include peas from both Free World and Soviet Bloc countries.

ITALY: Dry pea imports, by source, average 1935-39, and annual 1951-61

Source	Average: 1935-39	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
EEC:												
Belgium	--	4	--	--	--	7	9	10	--	--	--	--
France	1	9	--	9	--	--	2	--	1	--	--	--
West Germany	--	--	--	--	--	--	--	--	--	--	--	--
Netherlands	15	49	89	80	32	61	78	91	53	38	60	80
Total	16	62	89	89	32	68	89	101	54	38	60	80
Non-EEC:												
Free World:												
Americas												
United States	--	--	--	--	--	--	--	2	--	--	--	--
Canada	--	--	--	--	--	--	--	--	--	--	--	--
South America	--	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	2	--	--	--	--
Western Europe:												
United Kingdom	--	--	--	--	--	--	--	--	--	--	--	--
Other	1	1	--	--	--	--	--	--	--	--	--	--
Total	1	1	--	--	--	--	--	--	--	--	--	--
Asia	--	--	--	--	--	--	--	--	--	--	--	--
Africa	--	--	16	13	13	11	8	--	4	--	20	37
Soviet Bloc	74	--	--	4	1	4	4	--	--	--	--	--
Other 1/	4	7	10	22	10	8	6	11	11	31	41	74
Total imports ...	95	70	115	128	56	91	107	114	69	69	121	191
Total free world :	17	63	105	102	45	79	97	103	58	38	80	117
Total Non-EEC ...	79	8	26	39	24	23	18	13	15	31	61	111

1/ May include peas from both Free World and Soviet Bloc countries.

BELGIUM: Dry pea exports, by destination, average 1935-39, and annual 1951-61

Destination	Average 1935-39	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
EEC:												
France	20	1	(1/)	(1/)	(1/)	--	--	--	--	--	--	--
West Germany	5	38	58	55	107	97	85	46	58	59	49	73
Italy	4	4	--	--	--	--	7	1	--	--	--	--
Netherlands	9	(1/)	32	97	279	124	212	153	187	200	194	137
Total	38	43	90	152	386	221	304	200	245	259	243	210
Non-EEC:												
Free World:												
Western Europe												
United Kingdom	54	57	19	--	73	40	42	28	55	30	38	18
Other	20	2	--	--	--	--	--	--	--	--	--	--
Total	74	59	19	--	73	40	42	28	55	30	38	18
North & South America	23	1	--	--	--	5	6	--	--	9	--	--
Asia	--	--	--	--	--	--	--	--	--	--	--	--
Africa	--	--	--	--	--	--	1	--	--	--	--	--
Soviet Bloc	--	3	--	--	--	--	--	--	--	--	--	--
Others 2/	15	--	3	14	29	56	15	18	24	43	63	31
Total exports	150	106	112	166	488	322	368	246	324	341	344	259
Total free world	135	103	109	152	459	266	353	228	300	298	281	228
Total Non-EEC	112	63	22	14	102	101	64	46	79	82	101	49

1/ Less than 500 bags.

2/ May include peas to both Free World and Soviet Bloc countries.

FRANCE: Dry pea exports, by destination, average 1935-39, annual 1951-61

Destination	Average: 1935-39	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
EEC:												
Belgium-Luxembourg ...	2	28	8	5	179	9	87	7	3	35	70	23
West Germany	(1/)	--	4	8	21	5	8	4	3	8	25	11
Italy	(1/)	12	3	9	1	1	1	2	2	1	4	2
Netherlands	(1/)	10	5	--	207	12	56	(1/)	5	15	12	2
Total	2	50	20	22	408	27	152	13	13	59	111	38
Non-EEC												
Free World:												
Western Europe												
United Kingdom	--	--	--	--	--	--	--	--	--	--	--	--
Other	3	--	4	1	1	4	1	3	2	1	1	6
Total	3	--	4	1	1	4	1	3	2	1	1	6
North & South America :	--	--	2	2	2	2	1/	2	4	--	2	--
Asia	--	22	9	7	1	--	--	1	--	--	--	1
Africa	19	2	6	8	8	15	14	25	22	10	11	12
Soviet Bloc	--	--	--	--	3	2	--	5	--	--	1	--
Other 2/	9	27	9	7	18	7	13	--	1	11	13	16
Total exports ...:	33	101	50	47	441	57	180	49	42	81	139	73
Total free world :	24	74	41	40	420	48	167	44	41	70	125	57
Total Non-EEC ...:	31	51	30	25	33	30	28	36	29	22	28	35

1/ Less than 500 bags.

2/ May include peas to both Free World and Soviet Bloc countries.

UNITED STATES DEPARTMENT OF AGRICULTURE

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